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UNITED STATES SENATOR ★ SERVING THE CITIZENS OF IDAHO

LARRY CRAIG

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NEWS RELEASE

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IDAHO NECESSITIES

Costs Fueled...by the Cost of Fuel
by Senator Larry Craig

This is the third and final in a series of editorials addressing the availability and the rising costs of water, food and energy in Idaho.

You know the feeling. You get in your car and look down at your gas gauge. It's time to fill up. As you approach your gas station, you begin to feel a slight sense of dread as you get closer to that big sign with those big numbers that seem to always get bigger week after week. And sure enough, when you can finally read them, the price is higher, and you know your wallet is going to empty more than it did the week before.

In my recent travels around Idaho, I visited with commuters who are spending \$100 to fill up their SUVs and farmers who are spending even more to fill their diesel pick-ups. It's costing truckers upwards of \$600 every time they stop at the gas station. So what are you paying at the pump? No matter what it is, you're most certainly feeling the fuel pinch.

Rising energy costs are not only pouring out of the nozzle. We are now starting to see the effects in the grocery line as higher transportation costs drive food prices higher. Americans are feeling the heat in their utility bills, as natural gas prices remain near record highs. Thankfully, we in Idaho and the Northwest are largely spared from these costs because we have the lowest power prices in the country, being less dependent on natural gas and more reliant on clean, inexpensive hydropower.

I am often confronted by people who want to know why Washington isn't providing some relief to the American commuter. My mission in Congress for almost three decades has been to reduce our dependence on unstable regions of the world by increasing production of all energy sources here at home.

One of the most promising developments I've seen is a growing and evolving renewable fuels industry. Over the last several years, ethanol has moved beyond scientific jargon to become a household word. In 2007, the United States produced 7.8 billion gallons of ethanol, which displaces the need for more oil than the U.S. imported from Iraq and nearly half that from Venezuela in 2007. It also saved Americans billions of dollars.

However, the majority of our domestic production of ethanol is corn-based, posing unique challenges to the livestock industry and raising concerns among the environmental community. As a former cattle rancher, I understand the pressure this booming industry is placing on the demand for corn and corn acres. The cost for feed is higher, and other market and environmental impacts are resulting. For these reasons, I support the movement toward advanced renewable technologies, such as the development of cellulosic ethanol. Rather than relying on corn kernels for energy, cellulosic ethanol is derived from a variety of "plant fiber" sources, ranging from grain straw to switchgrass, quick-growing trees, and even municipal waste.

Through the establishment of new Department of Energy grant and loan guarantee programs, I am proud to have helped build the groundwork that put Idaho in contention for one of the first successful cellulosic ethanol plants in the United States. The Canada-based Iogen Corporation could break ground on a new plant in Shelley, Idaho within the next 18 months. The plant would produce 18 to 20 million gallons of cellulosic ethanol from agricultural residues like wheat and barley straw from local producers. I am committed to seeing this plant come to our State, and I am leading a delegation of Idahoans to Iogen's cellulosic ethanol demonstration plant in Ottawa, Canada (the largest in the world), the week of April 7th to see this groundbreaking technology firsthand.

Our country hopes to produce 36 billion gallons of renewable fuels by 2022, and this technology will help us achieve that goal. Reducing our dependence on foreign energy sources is the only way you and I will stop dreading our trips to the pump.

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